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Message Text

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21
ACTION IO-14

INFO OCT-01 AF-10 ARA-16 EA-11 EUR-25 NEA-10 RSC-01 ISO-00

AGR-20 CEA-02 CIAE-00 COME-00 DODE-00 EB-11 FRB-02

H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00 NSC-07 PA-04

AID-20 CIEP-02 SS-20 STR-08 TAR-02 TRSE-00 USIA-15

PRS-01 SPC-03 FEA-02 OMB-01 SWF-02 PM-07 SCI-06 OIC-04

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TO SECSTATE WASHDC 0756
INFO AMEMBASSY BANGKOK
US MISSION USUN NEW YORK 0333
AMEMBASSY TOKYO
AMEMBASSY CANBERRA
AMEMBASSY ROME
US MISSION GENEVA 0101
AMEMBASSY BRUSSELS

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E.O. 11652: N/A
TAGS: ECAFE: OCON
SUBJ: ECAFE PLENARY: REVIEW OF ECONOMIC AND SOCIAL SITUATION IN
ECAFE REGION AND CONSIDERATION OF ACTION IN PRIORITY AREAS

BRUSSELS FOR USEC, GENEVA FOR GATT, ROME FOR FAO, DEPT. PASS
OTHER ECAFE POSTS AS DESIRED

1. SUMMARY: GENERAL DEBATE ON ECONOMIC AND SOCIAL SITUATION
IN ECAFE AREA REFLECTED GREAT ANXIETIES OF REGIONAL MEMBERS
REGARDING THEIR FUTURE. CONCERN OVER FOOD WAS PREDOMINANT,
ENERGY, INFLATION, REDUCED IMPORT CAPACITIES FOR BASIC
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NECESSITIES, RETROGRESSION IN ECONOMIC AND SOCIAL DEVELOPMENTS

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WERE OTHER MAJOR THEMES. DEBATE OVER SOBER AND POLITICALAND IDEOLOGICAL POLEMICS WERE INJECTED ONLY BY COMMUNIST MEMBERS. NEARLY ALL SPEAKERS COMPLIMENTED NEW EXSEC'S EFFORTS TO STREAM-LINE ECAFE ORGANIZATION AND WORK PROGRAM. END SUMMARY.

2. WELL OVER 50 SPEAKERS FROM ECAFE MEMBER COUNTRIES, ASSOCIATE MEMBERS, INTERNATIONAL ORGANIZATIONS AND NON-GOVERNMENT ORGANI-ZATIONS TOOK PART IN THE GENERAL DEBATE ON AGENDA ITEM 4: REVIEW OF ECONOMIC AND SOCIAL SITUATION IN ECAFE REGION AND CONSIDERATION OF ACTION IN PRIORITY AREAS. FOR MOST PART STATEMENTS WERE SOBER AND SOMBER AND REFLECTED GREAT ANXIETIES FOR FUTURE. IN MULTITUDE OF SPEECHES EVERY CONCEIVABLE TOPIC WAS COVERED BUT PREDOMINANT THEME WAS CONCERN OVER FOOD SUPPLY IN VIEW OF POSSIBLE DECLINE IN DOMESTIC PRODUCTION IN REGIONAL MEMBER COUNTRIES, AND SHARPLY LOWERED IMPORT CAPACITIES DUE TO RISING COST OF FUELS, FOOD, FERTILIZER AND OTHER VITAL NECESSITIES. THE ENERGY CRISIS, INFLATION, SHIPPING AND FREIGHT RATES, MASS POVERTY, EDUCATION, INTERNATIONAL MONETARY AND TRADE QUESTIONS AS WELL AS THE NEW EXSEC, MR. MARAMIS', PROPOSALS FOR STREAM-LINING ECAFE ACTIVITIES WERE OTHER SUBJECTS OF GREATEST INTEREST.

3. MOST REGIONAL MEMBER COUNTRIES, PREOCCUPATION WITH DETERI-ORITING BALANCE OF PAYMENTS POSITIONS, DOMESTIC ECONOMY, INFLATION AND FEAR OF INABILITY TO PROVIDE EVEN MINIMUM NECESSITIES TO POORER STRATA BROUGHT FORTH CALLS FOR MULTITUDE OF REMEDIAL MEASURES AMONG WHICH COMMODITY STABILIZATION SCHEMES, FOOD BUFFER STOCKS AND VARIET OF NEW FUNDS (E.G. OIL EXPORTER/DC AID FUND, WORLD FERTILIZER FUND) WERE MOST PREVALENT. IT IS PERHAPS TOO MUCH TO EXPECT THAT A GENERAL DEBATE OF THIS NATURE WOULD BRING FORTH SUCH INTELLECTUALLY RIGOROUS ANALYSIS OF PROBLEM WHICH COMPLEXITY SITUATION DESERVES. ON OTHER HAND MUCH OF DELIBERATIONS WERE HAPPILY FREE OF IDEOLOGICALLY DIVISIVE RHETORIC.

4. AS TO BE EXPECTED THIS WAS NOT TRUE OF CHINESE (REPORTED SEPTEL), RUSSIAN, MONGOLIAN AND WFTU STATEMENTS. CHINESE WERE VITUPERATIVE AS USUAL AGAINST "SUPER POWER PLUNDERERS'" RUSSIANS RATHER SUBDUD, POLITICALLY STILL PUSHING THEIR ASIAN COLLECTIVE SECURITY CONCEPT.

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5. US REP STATEMENT IN WHICH EMPHASIS WAS PLACED ON US INITIATIVES IN ENERGY AND FOOD FIELDS AND WHICH CALLED FOR A SPIRIT OF COOPERATION RATHER THAN CONFRONTATION AT SPEICAL SESSION UNGA WAS WELL RECEIVED GETTING COMPLIMENTS FROM NUMBER OF LDCS, INCLUDING HOST COUNTRY DEL, AND DCS.

6. IRANIANS MADE BIG SPLASH PRESENTING SHAH'S GENEROSITY UNDER THREE HEADINGS: (A) REPAYMENT MAJOR PART OF FOREIGN

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DEBT OF NEARLY ONE BILLION; (B) BILATERAL ARRANGEMENTS FOR COOPERATION AND AID WITH AT LEAST DOZEN ASIAN, AFRICAN AND EUROPEAN COUNTRIES FOR ANOTHER ONE BILLION; AND (C) MULTI-LATERAL ARRANGEMENTS OF THREE PARTS: (I) LENDING TO NEW IMF FACILITY TO TUNE OF $700 MILLION; (II) LENDING TO IBRD AMOUNTING TO $200 MILLION AND (III) PROVIDING ABOUT $150 MILLION TO A NEW FUND FOR CONCESSIONAL AID. IRANIAN REP. WAS PARTICULARLY PUSHING LATTER SCHEME (SEE SEPTEL ON RESOLUTION) ANNOUNCING THAT OPEC EXPERTS ARE WORKING ON TECHNICAL DETAILS SCHEME AND REPORTING APPROVINGLY ON MESSAGE HE RECEIVED FROM BRUSSELS THAT EEC COMMISSIONER CHEYSSON PUT FORWARD PLAN OF TWO TO THREE BILLION EMERGENCY AID FUND WITH ARAB OIL PRODUCERS, US AND EEC CONTRIBUTING, OF WHICH PROPOSED EEC SHARE WOULD BE $550 MILLION. EEC FOREIGN MINISTERS TO DECIDE ON APRIL 2. NOT ALL OF LDC LISTNERS WERE IMPRESSED; BANGLADESH AND PAPUS NEW GUINEA COMMENTED CRITICALLY THAT THEY NEED AID HERE AND NOW AND THEY DON'T SEE WHY THEY HAVE TO CARRY BURDEN OF HIGH PRICES.

7. MOST IMPORTANT JAPANESE STATEMENT WAS THAT ALTHOUGH THEIR ECONOMY HAS BEEN SEVERLY AFFECTED AND THEY EXPECT ONLY 2.5 PER-CENT GNP GROWTH, THEY WILL MAINTAIN UNHESITANTINGLY THEIR POSITION OF COOPERATION. EEC MEMBER COUNTIRES SPOKE INDIVIDUALLY AND AS GROUP. UK REP TRIED TO GET SOME BALANCE IN PICTURE POINTING TO SOME FAVORABLE DEVELOPMENTS IN 1973, E.G. IMPROVEMENT OF TERMS OF TRADE OF SOME RAW MATERIAL EXPORTING LDCS, BUT RECOGNIZED THAT HOUR HAS BROUGHT SEVERE PROBLEM TO MANY. HE PROMISED HIGHER U.K. AID LEVELS AND CALLED FOR REDISTRIBUTION OF AID TO NEEDIEST COUNTRIES. EEC SPOKESMAN (DUTCH) GAVE CATALOGUE OF CONTRIBUTIONS TO LDC PROBLEMS, I.E. JOINT DECLARATION OF INTENT TO FIND SOLUTIONS TO PROBLEMS CREATED BY ENLARGEMENT, IMPROVEMENT OF GSP, DOUBLING OF TARIFF QUOTAS FOR HANDLOOM FABRICS AND HANDICRAFT, PARTICIPATION IN THE NEW MULTILATERAL TEXTILE AGREEMENTN ETC. DUTCH
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REP TOLD US PRIVATELY EEC COUNTIRES FELT IT WAS PREMATURE TO SAY ANYTHING ABOUT CHEYSSON PLAN SPRUNG TO IRANIANS.

8. AUSTRALIANS SEEM TO HAVE GONE OUT OF THEIR WAY TO DEMON-STRATETHEIR "INDEPENDENCE". AFTER REDICULING U.S. AND USSR FOR THEIR IDEOLOGICAL DOGMATISM ON DESIRABLE ECONOMIC SYSTEM FOR LDCS TWENTY YEARS AGO AND INTERPRETING INTERVENING PERIOD AS DEMONSTRATING THEORY OF CONVERGENCE, AUSTRALIAN REP WARNED AGAINST DANGERS OF MNCS. GRANTING THAT SOME GOOD DERIVES FROM FOREIGN INVESTMENTS, HE URGED TIGHT CONTROLS ON MNCS AND SUGGESTED ECAFE ROLE FOR ASSISTING LDCS IN THEIR NEGOTIATIONS WITH MNCS. EXSEC MARAMIS IN HIS OPENING STATEMENT ALSO REFERRED TO MNC PROBLEM AND NATRUALLY ALL COMMUNIST SPEAKERS CASTIGAGED THEM.

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9. ALL PACIFIC ISLAND NATIONS, COOK ISLANDS, NAURU, TTPI, (SEE SEPTEL) URGED THAT ECAFE PAY MORE ATTENTION TO THEIR PROBLEMS AND THAT ORGANIZATION CHANGE ITS NAME TO ESCAP OR SECAP.

10. OF MANY STATEMENTS BY REPS OF INTERNATIONAL ORGANIZATIONS MOST NOTEWORTHY WERE THOSEOF SEC GEN WORLD FOOD CONFERENCE (MAREI) WHO OUTLINED SUCCINCTLY POTENTIAL ACHIEVEMENTS WFC; GATT REP WHO CALLED ATTENTION TO CONTRIBUTION MTN CAN MAKE TO LDCS PROBLEMS, URGED FULL LDC PARTICIPATION AND COUNTERED FEARS EXPRESSED BY EXSEC AND HONG KONG REP ON DANGERS OF MULTINATIONAL SAFEGUARD SYSTEM BY QUOTING TOKYO DECLARATION. FAO REP MADE LONG STATEMENT ON RELEVANT FAO ACTIVITIES AND UN ASS'T. SEC GEN, MRS. SIPILA, ALSO TALKED AT LENGTH ABOUT UPCOMING INTERNATIONAL WOMEN'S YEAR.

11. NEARLY ALL SPEAKERS PRAISED MARAMIS' PROPOSED STREAM-LINING OF ECAFE ACTIVITIES AND MEETING CONCLUDED BY MARAMIS THAT THE PLENARY FAVORED HIS PROPOSALS ON ROLE OF ORGANIZATION AND CRITERIA FOR PRIORITY DETERMINATION OF ITS WORK.

VAN HOLLEN

NOTE BY OC/T: NOT PASSED ANY OTHER ECAFE POSES.
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